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September 19, 2011

VIA ELECTRONIC FILING

Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street, S.W., Room TW-B204
Washington, DC 20554

Re: WC Docket No. 10-90, 07-135, 05-337, and 03-109
GN Docket No. 09-51, CC Docket No. 01-92 and 96-45

Madam Secretary:

In accordance with Section 1.1206 of the Commission's rules, 47 C.F.R. § 1.1206, I hereby provide you with notice of an oral ex parte presentation in connection with the above-captioned proceeding. On September 15, 2011, undersigned counsel met with Commissioner Copps and Margaret McCarthy to discuss universal service reform.

We discussed the need for competitively neutral universal service reform. We also discussed the ABC and RLEC plans, including how a right of first refusal will impede the development of high-quality broadband in rural areas for many years. We also discussed how a ten year plan for support, at current levels, amounts to \$45 billion. This means that the ABC and RLEC plans would allocate \$42 billion to wireline networks and \$3 billion to mobile broadband networks over the next ten years. We discussed how that investment would lead to rural Americans having fixed service at 4Mb/768kbps, which is a very low goal for the year 2021.

In short, there is a great need to invest additional funds in mobile broadband networks, even if it means increasing the size of the federal fund for a period of time so that sufficient support is available to ensure that rural citizens have access to services that are reasonably comparable to those available in urban areas.

Marlene H. Dortch, Secretary

September 19, 2010

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We also discussed the need to not phase down support in the CETC program until the Commission adopts a replacement mechanism. It has been ten years since the last significant reform and it is therefore important that any phase down be properly coordinated with the implementation of a reformed mechanism.

Finally, we discussed the fact that price cap carriers are seeking an additional billion dollars of support in the ABC plan, notwithstanding that they are extraordinarily profitable companies, as evidenced by their profit and dividend performance in 2010. In the aggregate, price cap carriers paid out over \$18 billion in dividends in 2010 and it is therefore unlikely that they need an additional billion dollars in support incentive to invest in their service areas. It is far more likely that the introduction of competition in their service areas will incent them to invest.

If you have any questions or require any additional information, please contact undersigned counsel directly.

Sincerely,

A handwritten signature in dark ink, appearing to read "D. LaFuria", is positioned above the printed name.

David A. LaFuria

Enclosure

cc: Hon. Michael J. Copps
Margaret McCarthy, Esq.

Company Name	Net Income (approx)	Outstanding Shares (approx)	Quarterly Dividend per Share (2010)	Total Annual Dividend (2010) (approx)	Total 2010 USAC Disbursement**
AT&T	\$20,179,000,000	5,940,000,000	\$0.4200	\$9,979,200,000	\$473,158,310
Verizon	\$10,217,000,000	2,830,000,000	*\$0.48125	\$5,447,750,000	\$359,758,095
CenturyLink	\$949,000,000	600,000,000	\$0.725	\$1,740,000,000	\$303,991,570
Windstream	\$311,000,000	468,000,000	\$0.250	\$468,000,000	\$114,626,457
Frontier	\$156,000,000	989,000,000	*\$0.219	\$866,364,000	\$155,930,004
Fairpoint	(\$281,000,000)	89,420,000	\$0.000	\$0	\$42,090,134
TOTAL	\$31,531,000,000			\$18,501,314,000	\$1,449,554,570

*Average over four quarters.

**Source: FCC Letter to House Energy and Commerce Committee, available at <http://republicans.energycommerce.house.gov/Media/file/PDFs/2011usf/ResponsetoQuestion4.pdf> (includes all holding company entities)